

**EBHO****EAST BAY HOUSING ORGANIZATIONS**

December 10, 1997

Cynthia L. Johnson  
Director, Cash Management Policy and Planning Division  
Financial Management Service  
U.S. Department of the Treasury  
Room 420, 401 14<sup>th</sup> Street, SW  
Washington D.C. 20227

Dear Ms. Johnson:

I am writing on behalf of East Bay Housing Organizations (EBHO) to ask that the Department of Treasury address four components of the proposed rules on Electronic Funds Transfer for federal benefit programs. EBHO is a coalition of organizations and individuals in Alameda County who are concerned with issues related to affordable housing. Our membership represents over 120 organizations and individuals and includes non-profit developers, attorneys, architects, city and county staff, tenant's rights activists and homeless activists from throughout Alameda County. The proposed rules will affect many of the tenants who live in affordable housing developments within Alameda County and is therefore a matter of concern to the EBHO membership.

Our concerns are as follows:

**The Department of Treasury's Regulatory Role.**

**Voluntary Accounts.** The law directs the Department of Treasury to provide all recipients who will receive federal payments electronically access to an account at a financial institution at a reasonable cost and with the same consumer protections available to others. The Department of Treasury should regulate all accounts established by recipients to ensure that recipients: (1) have accounts at regulated financial institutions, (2) that fees charged are reasonable and affordable over the long-term, and (3) that consumer protections apply to all account transactions.

**Non-banks.** The Department of Treasury must not allow EFT partnerships between banks and check cashers. A system where funds are electronically transferred to regulated financial institutions, but recipients can only access their funds through check cashers is NOT acceptable and contradicts the provisions of the statute.

**Electronic Transfer Accounts (ETAs).**

ETAs should be free of monthly service charges and offer the same features and protections as current mainstream checking accounts. These accounts should include checks or money orders, ATM cards, customer support and accept additional deposits. We believe that all recipients of federal benefits should have the option of choosing an ETA.

**Waivers.**

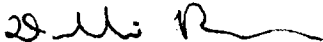
We support the Department of Treasury's proposal to allow recipients to self-certify their eligibility for waivers. However, the waiver provision must be broadened to allow waivers for hardships posed by mental disabilities, literacy concerns, or language barriers. Financial hardship waivers should be available to anyone who finds it too expensive to maintain a bank account to receive benefits, not just those without bank accounts. Recipients should be able to receive waivers at any point, in case of an unforeseen physical disability or other hardship.

**Public Education Campaign.**

We understand that the Department of Treasury will launch a public education campaign to inform recipients of EFT 99 and to encourage them to receive their benefits electronically. It is critical that this campaign informs people of ALL their options, including waivers, obtaining an ETA account through The Department of Treasury, and the temporary waiver whereby recipients without bank accounts continue receiving paper checks until the ETA account is available. Recipients who are frightened into opening accounts before the ETA is available, could easily fall prey to the abusive practices of check cashers or open bank accounts that are too costly. The information on EFT 99 must be clear and available in appropriate languages.

I urge you to take action on these critical issues. Thank you for your attention to this matter.

Sincerely,



Debbie Raucher  
Director